

# PDC Interpretation

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APPROVAL DATE:	June 27, 1995	NUMBER:	95-02
STATUS:	Amended May 24, 2012	SUPERSEDES:	None
REFERENCES:	<a href="#">RCW 42.17A.420</a> ; <a href="#">RCW 42.17A.430</a> ; <a href="#">WAC 390-16-234</a>	APPROVED BY:	The Commission
SEE ALSO:	Former RCW 42.17.105		

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## Transfers of Candidate Surplus Funds to Bona Fide Political Party and Caucus Political Committees

**Intent:** The Public Disclosure Commission implements and enforces the campaign reporting requirements in chapter [42.17A RCW](#). This interpretation is intended to clarify:

- (1) Does the \$5,000 timing provision for contributions that is imposed during the 21 days before the general election by [RCW 42.17A.420\(1\)](#) apply to the distribution of candidate surplus funds to a bona fide political party or caucus political committee?
- (2) What are the reporting requirements applicable to transfers of candidate surplus funds to political parties and caucus committees?

### Background:

A candidate's "surplus funds" are the balance of contributions that remain in the possession or control of the candidate after the election for which they were received and that are in excess of the amount necessary to pay remaining campaign debt. [RCW 42.17A.005\(46\)](#).

The authorized methods of disposing candidates' surplus funds are set out in [RCW 42.17A.430](#).<sup>1</sup> A 1995 amendment authorized candidates to transfer surplus funds *without limit* to a political party or caucus political committee and exempted such transfers from the definition of "contribution." Chapter 397, Laws of 1995.

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<sup>1</sup> Former RCW 42.17.095.

[RCW 42.17A.420\(1\)](#) prohibits bona fide political parties and caucus political committees from receiving aggregate contributions exceeding \$5,000 within 21 days of a general election. This 21-day provision does not apply to contributions made by or accepted from a bona fide political party's state committee. Furthermore, this 21-day provision does not apply to ballot measure committees, pursuant to the federal court ruling in *Family PAC v. McKenna et al.*, 9<sup>th</sup> Circuit Court of Appeals Nos. 10-35832, 10-35893 (Dec. 29, 2011).

**Interpretation:**

The Commission believes that the Legislature intended to allow transfers of candidates' surplus funds without limit to a political party or to a caucus political committee at any time, including the last three weeks before the general election. Therefore, the Commission interprets that the 21-day pre-general election timing restriction in [RCW 42.17A.420\(1\)](#) to be inapplicable to candidates' surplus funds transfers to a political party or caucus political committee. See also [WAC 390-16-234\(2\)](#).

While the transfer of surplus funds to a political party or caucus political committee is technically not a "contribution", the Commission believes reporting it as such is the best way to achieve public disclosure and enable the public to follow the money. Therefore, the Commission will advise candidates who transfer surplus funds to a political party or caucus political committee to report the transfer as an expenditure. In addition, a political party or caucus political committee receiving a transfer of surplus funds is advised to report the transfer as a contribution received. These contribution and expenditure reports must be timely filed pursuant to [RCW 42.17A.235](#), [42.17A.240](#), and [42.17A.265](#).